

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF MICHIGAN
SOUTHERN DIVISION**

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In re : Chapter 9
CITY OF DETROIT, MICHIGAN, : Case No. 13-53846
Debtor. : Hon. Steven W. Rhodes
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**RESPONSE OF THE CITY OF DETROIT TO
THE JOINT MOTION OF OBJECTING CREDITORS
MICHAEL J. KARWOSKI AND JOHN P. QUINN FOR
BRIEFING SCHEDULE AND HEARING ON CERTAIN OF MOVANTS'
OBJECTIONS TO FOURTH AMENDED PLAN OF ADJUSTMENT**

1. Through the *Joint Motion of Objecting Creditors Michael J. Karwoski and John P. Quinn for Briefing Schedule and Hearing on Certain of Movants' Objections to Fourth Amended Plan of Adjustment*, filed July 22, 2014 (Docket No. 6197) (the "Motion"), Michael J. Karwoski and John P. Quinn (together, the "Movants") ask the Court to address certain legal issues raised in their objections (the "Plan Objections")¹ to the Fourth Amended Chapter 9 Plan for the Adjustment of Debts of the City of Detroit (Docket No. 4392) (the "Plan")

¹ See John P. Quinn's Objections to Fourth Amended Plan of Adjustment, filed July 1, 2014 (Docket No. 5259) and Objecting Creditor Michael J. Karwoski's Objections to Confirmation of the Fourth Amended Plan of Adjustment, filed July 10, 2014 (Docket No. 5923).

separate from, and prior to, the Court's consideration of all remaining objections to the Plan, including all other objections raised by individual retirees, at the Plan confirmation hearing that begins on August 14, 2014 (the "Confirmation Hearing").

2. The City of Detroit (the "City") believes that the Motion should be denied because, given the substantial litigation and mediation activity that the City and other creditor groups that support the Plan are undertaking in light of the upcoming Confirmation Hearing, requiring the City to engage in another round of expedited briefing and argument would substantially burden the City and other parties in interest. The Confirmation Hearing is scheduled to commence in about three weeks' time. The Fifth Amended Order Establishing Procedures, Deadlines and Hearing Dates Relating to the Debtor's Plan of Adjustment (Docket No. 5259) (the "Scheduling Order") already contemplates the City's filing of a pre-trial brief that will address objections raised by individual retirees – including the Plan Objections – as soon as August 8, 2014. See Scheduling Order, at ¶ 14.

3. The schedule proposed by the Motion – and a related motion to expedite (Docket No. 6201) (the "Motion to Expedite") – essentially runs parallel to – and is duplicative of – the briefing and hearing schedule already established in

the Scheduling Order. Under the Movants' proposed (and abbreviated) schedule,² (a) if the Court were to grant the Motion to Expedite, the Court would hear the Motion on July 28, 2014 (*see* Motion to Expedite, Exhibit A, at ¶ 2), (b) if the Court were to enter an order granting the Motion on the same day, the City would have seven days to respond to the Movants' Plan Objections (*i.e.*, by August 5, 2014, three days prior to the deadline to file its response to individual objections), (c) the Movants would have seven days after that to file a reply brief (*i.e.*, by August 12, 2014) and (d) a hearing would take place sometime thereafter (*i.e.*, during the Confirmation Hearing). *See* Motion, at ¶ 7. In light of the foregoing, the City submits that the Court should maintain the current schedule.

² The Movants offer no explanation as to why they neglected to seek the requested relief sooner than three weeks prior to the Confirmation Hearing when the Plan Objections presumably have been known to them for months.

4. Nevertheless, should the Court find that a separate briefing schedule and hearing is necessary to address the Movants' Plan Objections, the City requests that it be given at least 14 days to respond to the Movant's Plan Objections in light of the City's numerous other pre-Confirmation Hearing obligations and responsibilities.³

³ In the Motion, the Movants state that Mr. Karwoski "attempted, unsuccessfully, to obtain the debtor's concurrence in the relief sought by this motion as follows: by e-mailing copies of the proposed motion and of a proposed stipulation that would have rendered the motion unnecessary to counsel for the City, Heather Lennox and David G. Heiman, and by leaving telephone voice-mail messages at their Jones Day numbers requesting concurrence." *See Motion*, at ¶ 8. Ms. Lennox, in fact, replied on behalf of the City and informed the Movants that the City did not believe that its consent or lack of consent was relevant, given that the Court controls its calendar in this case and schedules hearings as it deems appropriate. Accordingly, City counsel requested that the Movants remove paragraph 8 from the Motion and informed the Movants that seven days was an insufficient amount of time for the City to file a brief in any event should the Court entertain the relief requested in the Motion. Subsequent correspondence from the Movants indicates that the Movants intended to file a version of the Motion that accurately reflected the parties' discussions, but inadvertently failed to do so. No corrected version of the Motion has been filed as of the date of this Response.

Dated: July 22, 2014

Respectfully submitted,

/s/ Heather Lennox

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ATTORNEYS FOR THE CITY

CERTIFICATE OF SERVICE

I, Heather Lennox, hereby certify that the foregoing *Response of the City of Detroit to the Joint Motion of Objecting Creditors Michael J. Karwoski and John P. Quinn for Briefing Schedule and Hearing on Certain of Movants' Objections to Fourth Amended Plan of Adjustment* was filed and served via the Court's electronic case filing and noticing system on this 22nd day of July, 2014.

/s/ Heather Lennox